



Ontario

**Ontario Farm Products
Marketing Commission**

**Annual Report
For Fiscal Year
2009 – 2010**

Ontario Farm Products Marketing Commission

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MESSAGE FROM THE CHAIR

During fiscal 2009-10, the Ontario Farm Products Marketing Commission (the Commission) updated its Strategic Plan and confirmed its Vision, Mission and Strategic Objectives. The day-to-day work of the Commission is very much linked to its Strategic Plan.

The Commission's Vision is "Dynamic, competitive agri-food sectors". Our Mission is "to lead, supervise and direct Ontario's regulated marketing system to effectively adapt to change." The three Strategic Objectives of the Plan are:

1. Ensure effective performance of Marketing Boards
2. Foster enhanced stakeholder collaboration to achieve sector solutions
3. Advance Ontario's interests in regulated marketing

As part of ensuring effective performance of Marketing Boards, the Commission worked closely with representatives of corn, soybean and wheat organizations to bring about their merger into the Grain Farmers of Ontario on January 1, 2010.

With the Ontario Flue-Cured Tobacco Growers' Marketing Board revoking the marketing quota system, the Commission changed the governance structure and powers of the local Board. The Commission replaced the eleven member producer elected Board with a five member Commission-appointed Board.

The Commission offered formal and informal training for Board and Section 12 Representative Association members and senior staff. This included a full day session in April, 2009 where participants received training on governance, the rules of regulated marketing and best practices for Boards.

Fostering enhanced stakeholder collaboration to achieve sector solutions was also a major thrust in 2009-10. The Commission worked with the Alliance of Ontario Food Processors to discuss their concerns with regulated marketing and identify their priority areas.

At the request of Minister Dombrowsky, the Commission also did a review of the marketing of processing grapes. This review included: consultations with the Grapes for Processing Industry Advisory Committee (GPIAC); open meetings with industry participants; research and analysis by staff; and, considerable discussion among Commission Members. The report was submitted to the Minister in January 2010 and the Commission worked with the GPAIC on a number of issues designed to improve the grape marketing system.

The Commission also worked with a number of sectors on efforts to improve relationships along the value chain. This included a Processing Apple Industry Forum in July 2009 and the development of a Greenhouse Vegetable Industry Advisory Committee which included representatives from producers through to the retail industry.

To advance Ontario's interests in regulated marketing at the national level over the 2009-2010 fiscal year, the Commission attended national meetings to press for a better result for Ontario's agri-food industry. The Commission also collaborated with the Ontario Broiler Hatching Egg and Chick Commission to advance work on the broiler hatching egg draft Federal/Provincial Agreement.

The Commission continues to work closely with Ontario's 20 Marketing Boards and four Representative Associations, and related stakeholders to maximize their contribution to Ontario's agri-food sector.

Sincerely,

Geri Kamenz
Chair

June 30, 2010

OVERVIEW

Profile

The Ontario Farm Products Marketing Commission (the Commission) is a regulatory agency without a governing board. It is established under the authority of the *Ministry of Agriculture, Food and Rural Affairs Act*. At the close of 2009-10, the Commission provided supervision to 20 agricultural commodity Marketing Boards and four Section 12 Representative Associations established under legislation.

While supervision of enabling legislation is a cornerstone of the Commission's agency mandate, the Commission also provides strategic leadership and intervention in the form of advice and facilitation. In addition, the Commission provides education programs where it can contribute to the effective operation of Ontario's regulated marketing structure and the Boards that operate under the legislation.

Vision

"Dynamic, competitive agri-food sectors"

Mission

"To lead, supervise and direct Ontario's regulated marketing system to effectively adapt to change"

Mandate

The mandate of the Commission is to:

1. Administer the provisions of the *Farm Products Marketing Act (FPMA)* and the *Milk Act (MA)* and certain regulations governing regulated marketing; make regulations under these Acts governing regulating marketing and supervise the activities of Ontario's Marketing Boards and Section 12 (of the *FPMA*) Representative Associations to ensure that:
 - o Marketing Boards and Section 12 Representative Associations operate within the powers and authorities given to them;
 - o The lines of accountability are maintained.






2. Provide leadership in the form of advice, facilitation and direction to Ontario's Marketing Boards and Section 12 Representative Associations.
3. Develop and implement all policy related to regulated marketing in Ontario.
4. Provide education programs for Ontario's Marketing Boards, Section 12 Representative Associations and industry stakeholders in order to increase the effectiveness and efficiency of the regulated marketing system.
5. Make regulations under the *Milk Act* concerning the quality and safety of cow and goat milk and milk products.

The Commission is directly accountable to the Minister of Agriculture, Food and Rural Affairs for its performance in fulfilling its mandate and its compliance with government policies and directives. The Minister, in turn, is accountable to Cabinet and the Legislature for the Commission's fulfillment of its mandate and for reporting on the Commission's affairs.

The Commission is the central figure in Ontario's regulated marketing system and holds an important "public trust" in the exercise of its duties. Through its actions, it ensures that individual commodity systems operate in an effective and responsible manner. This is done with due regard to the impact of Commission decisions on the agri-food sector and consumers, while at the same time maintaining the public policy goals of the legislation.

COMMISSION MEMBERS 2009 - 2010

| | | | |
|--|--|--|--|
|  | <p>Geri Kamenz Chair</p> <p>President Buckstop Farm Ltd., Spencerville. Past President, Ontario Federation of Agriculture. Past member, Canadian Federation of Agriculture's Environment and Science Committee; Canadian Farm Debt Mediation Appeal Board; Canadian Agri-Food Research Council.</p> <p>Appointed December 10, 2008 Current Appointment Expires December 9, 2010</p> |  | <p>Deborah Whale Vice-Chair</p> <p>Owner/operator Clovermead Farms (dairy, beef and veal), Wellington County. Past board member Farm Credit Canada. Ontario Livestock and Poultry Council, Chair of Insurance Committee. Ontario Agricultural Hall of Fame, Board of Directors. Poultry Research Council, Board of Directors. Ontario Institute of Agrologists, Board of Directors.</p> <p>Appointed March 10, 2004 Current Appointment Expires June 19, 2012</p> |
|  | <p>Elmer Buchanan Vice-Chair</p> <p>Partner in Elmlea Farm (alpacas, llamas and angora goats), Peterborough County. Former Ontario Minister of Agriculture, Food and Rural Affairs. Retired vice-principal, elementary and secondary school teacher, Hastings County.</p> <p>Appointed June 20, 2007 Current Appointment Expires June 24, 2013</p> |  | <p>Jim Clark Member</p> <p>Executive Director, Ontario Cattle Feeders' Association. Former Senior Policy Advisor (Stakeholder Relations) for Office of the Ontario Minister of Agriculture, Food and Rural Affairs.</p> <p>Appointed June 20, 2007 Current Appointment Expires June 19, 2011</p> |

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|  | <p>Tom Richardson Member</p> <p>Retired Acting Assistant Deputy Minister of Policy, Agriculture and Agri-Food Canada.</p> <p>Appointed March 23, 2005 Current Appointment Expires March 22, 2013</p> |  | <p>Bob Aumell Member</p> <p>Owner/consultant Aumell Agri-Consulting, specializing in managing change in agriculture. Retired from providing credit services to Canadian farmers, with Farm Credit Canada.</p> <p>Appointed March 23, 2005 Current Appointment Expires March 22, 2013</p> |
|  | <p>Carolyn Fuerth Member</p> <p>Partner in Ewe Dell Family Farms (sheep and cash crop, plus provincially inspected abattoir), Essex County. Past President of Ontario Agri-Food Education Inc. Past Director, Ontario Federation of Agriculture.</p> <p>Appointed March 10, 2004 Current Appointment Expires March 10, 2012</p> |  | <p>Anna Andres Member</p> <p>Partner in tender fruit farm, Niagara Region, and part owner Niagara Harvest (cherry processing facility). Past President Niagara Peninsula Fruit and Vegetable Growers Association. Former member Produce Arbitration Board, and Agriculture, Food and Rural Affairs Appeal Tribunal</p> <p>Appointed June 14, 2005 Current Appointment Expires June 13, 2013</p> |
|  | <p>Vance Drain Member</p> <p>President, Drain Poultry Ltd., Tweed Reeve, Municipality of Tweed, 2004 – 2007 Member of the Egg Farmers of Ontario from 1992 to 2000, including role as Vice Chair, 1997 & 1998</p> <p>Appointed January 13 2010; Current Appointment Expires January 13, 2012</p> | | |

PERFORMANCE MEASURES: Strategic Objectives

#1: Ensure Effective Performance of Marketing Boards

| <i>Goal/Outcome: 1. An effective regulated marketing system</i> | | |
|--|---|---|
| Measures | 2009/2010 Commitment | End of Year Results |
| a) Marketing Boards and Section 12 Representative Associations demonstrate commitment to maintain the integrity of the regulated marketing system. | Conduct reviews with at least four Boards and/or Associations to evaluate each organization's performance in the area of maintaining the integrity of the regulated marketing system. | Eleven Boards and Associations appeared before Commission Members to report on their organization's activities and performance; the Commission undertook a significant Grape Marketing Review that included consultation with all major sector stakeholders. |
| | Work with Boards and Associations to encourage ongoing strategic planning. | Continue to work with Boards/Associations on Strategic planning; generally, larger Boards have plans in place The Tender Fruit Marketing Board directed the development of an industry report leading to a strategic plan for the tender fruit industry; Chicken Farmers of Ontario presented their new strategic plan to the Commission. The Ontario Sheep Marketing Agency developed new strategic and operational plans. |
| | Conduct two Commission sponsored new director trainings which involve the topic "appropriate use of regulatory authorities". | Training for new directors was offered twice. Due to limited enrolment, the Fall session was cancelled. Topics included: governance, roles and responsibilities and an overview of the role of the Commission. |

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| | During staff updates and in review meetings, require Boards and Associations to report on how they are responding to emerging differentiated markets as well as other marketing opportunities such as the "buy local" campaign. | This topic was regularly addressed by Commission Members and staff in discussions with Boards and Associations. Many Boards have reported on their progress in the "buy local" campaign and have commented on its positive impact. |
| b) Marketing Boards and Section 12 Representative Associations demonstrate sound financial management which delivers on their respective mission statements. | Assess financial statements of all Boards and Associations by reviewing trends and ratios. | An annual assessment of financial statements was completed by Commission staff for all Boards and Associations. |
| | Work with identified Boards and Associations to improve transparency of financial statements. | A review was done and no specific weaknesses were noted, nor were any specific Boards or Associations identified as requiring improvements. |
| | Track adherence of Boards and Associations to Commission policy as articulated in Regulations 400 and 421 and the equivalent regulations under the <i>Milk Act</i> . Review those regulations to ensure all reporting requirements are included, and amend as needed. | All Boards are compliant with the current regulations. |
| | Encourage Boards and Associations to incorporate value-added financial reporting in their communications to their producers. | A number of Boards provide detailed information on research initiatives funded by producer's dollars. |
| c) Marketing Boards and Section 12 Representative Associations demonstrate strong governance practices. | Develop and/or identify existing resources for Boards and Associations on the topic of improving efficiency and effectiveness of meetings. | Done on an as-needed basis for specific Boards or Associations through on-going mentoring support. |
| | Develop models/options on the principles of Board governance. | In progress. |

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| | Work with at least four Boards and/or Associations to review and update their governance structures. | Work is complete with the Ontario Apple Growers; ongoing with: the Ontario Sheep Marketing Agency; Ontario Pork; Ontario Tender Fruit Marketing Board; Grape Growers of Ontario; and, Grain Farmers of Ontario. |
| d) Senior staff and elected members of Marketing Boards and Section 12 Representative Associations have the skills and knowledge required to effectively lead their organizations. | Encourage all new directors and senior staff of Boards and Associations to participate in Commission-sponsored new director training. | Invitations were extended to all Marketing Boards and Associations to participate in spring and fall director training sessions. In addition targeted training was provided to Grape Growers of Ontario and to Grain Farmers of Ontario. |
| | During review meetings with Boards and Associations, discuss the concept of learning plans for directors, senior staff and other appropriate elected officials. | To be addressed during fiscal 2010 – 2011. |

#2: Foster Enhanced Stakeholder Collaboration to Achieve Sector Solutions

Goal/Outcome: 1. Marketing Boards and processors have effective working relationships

| Measures | 2009/2010 Commitment | End of Year Results |
|--|---|--|
| a) Marketing Boards and processors routinely collaborate to resolve industry issues. | Take lead role to foster dialogue and reduce/manage stakeholder conflicts in targeted industries. | The Commission appointed a Chair to the Grapes for Processing Industry Advisory Committee to help the industry reach decisions and consensus on important issues. The Commission has facilitated dialogue on matters of concern to key players in the fruit and vegetable sectors; the Commission has taken a leadership role in improving relations between chicken producers and processors. |

| | | |
|---|---|--|
| b) Sound processes are in place to address industry issues. | Require Marketing Boards that appear for their reviews to demonstrate commitment to sector collaboration. | The Commission placed a strong emphasis on working cooperatively along the value chain when Boards and Associations met with the Commission. |
|---|---|--|

#3: Advance Ontario's Interests in Regulated Marketing

| Goal/Outcome: 1. Active support of supply-managed Boards through participatory involvement in national marketing systems | | |
|---|--|--|
| Measures | 2009/2010 Commitment | End of Year Results |
| a) Supply management systems are more flexible and responsive, allowing for continued industry growth. | Develop Ontario positions that reflect broad stakeholder consensus. | The draft Federal-Provincial Agreement for broiler hatching eggs was examined in consultation with the industry. |
| | Work to ensure Ontario's policy direction on relevant issues is well understood by all signatories to supply management. | The Commission was guided by a policy which defends Ontario's current national market share of supply-managed commodities when participating at national meetings. |
| | Develop and implement a strategy aimed at maximizing influence at the national level on specific issues. | In discussions with supply-managed Boards, the Commission continues to reiterate the position that Ontario needs to have its voice heard at the national table. |
| | Assist Boards to deal with adjusting to potential outcomes of the WTO agricultural negotiations. | Continued to actively monitor developments related to the WTO and other trade negotiations. |
| Goal/Outcome 2: A regulated marketing system that adapts to change | | |
| a) The regulatory framework provides for growth, investment and increased productivity. | Continue efforts towards having a responsive/flexible regulatory system in place. | Regulations under the <i>FPMA</i> and the <i>MA</i> are regularly amended to ensure they respond appropriately to changes in the marketplace. |
| | Continue to work with sheep and asparagus Marketing Boards to review marketing authorities to ensure relevance to current market conditions. | Work is progressing in this area, with new senior staff coming on board in both organizations. |

COMMISSION ACTIVITIES

Appearances by Boards and Section 12 Associations

Throughout the year, and as part of the Commission's efforts to ensure the effective performance of Marketing Boards and Representative Associations, Members met with representatives of 11 Marketing Boards and of one Section 12 Representative Association. The following organizations made one or more appearances at regularly-scheduled Commission meetings:

- Dairy Farmers of Ontario (twice)
- Grape Growers of Ontario (twice)
- Ontario Flue-Cured Tobacco Growers' Marketing Board (six times)
- Chicken Farmers of Ontario (twice)
- Grain Farmers of Ontario
- Ontario Sheep Marketing Agency
- Ontario Pork
- Ontario Greenhouse Vegetable Growers
- Flowers Canada (Ontario)
- Ontario Tender Fruit Producers' Marketing Board
- Ontario Broiler Hatching Egg and Chick Commission

Appearances by other Stakeholders

Commission Members met with representatives of five stakeholder groups at regularly-scheduled Commission meetings during the year. These included:

- Ontario Dairy Council
- Wine Council of Ontario
- Association of Ontario Chicken Processors
- Farm Products Council of Canada
- Winery and Grower Alliance of Ontario

Licences

Under the *FPMA*, the Commission has the authority to issue licences to processors of grapes, asparagus, potatoes, tender fruit and processing vegetables, and to dealers of seed corn. The table below reports the total number of active licences issued by the Commission, and the number of licences issued, by commodity, during 2009 – 2010.

| Commodity | Total Active Licences issued by the Commission as of March 31, 2010 | Licences issued by the Commission during the 12 months ending March 31, 2010 |
|-----------------------|--|---|
| Asparagus | 2 | 1 |
| Grapes | 253 | 28 |
| Potatoes | 24 | 0 |
| Tender Fruit | 47 | 2 |
| Processing Vegetables | 23 | 0 |
| Seed Corn | 7 | 1 |
| Total | 356 | 32 |

Producer Votes: Fresh Nectarines

In the summer of 2009, the Ontario Tender Fruit Producers' Marketing Board (OTFPMB) approached the Commission to add fresh nectarines to their authorities under Regulation 433 and Regulation 434. The OTFPMB believed that the inclusion of nectarines under its marketing authorities would bring greater market stability to nectarine producers, as well as generate funds to finance promotion and research related to fresh nectarines. As part of its process for considering this request, the Commission conducted an Expression of Opinion vote among nectarine producers.

Given that the results were consistent with Commission requirements for a producer vote, the Commission approved the request of the OTFPMB and initiated the process to amend Regulation 433 and Regulation 434, in time for the 2010 crop year.

Grape Marketing Review

On October 13, 2009 the Ontario Government announced a new policy direction for Ontario's grape and wine industry. As part of this strategy, the Minister of Agriculture, Food and Rural Affairs asked the Commission to examine how grape pricing and marketing could be improved.

The Commission designed a review process including three components:

- 1) discussions with industry leadership through the Grapes for Processing Industry Advisory Committee (GPIAC);
- 2) broader industry consultations; and,
- 3) research, analysis and discussion within the Commission.

Five GPIAC meetings were held. The meetings prior to the broader industry consultations focused on objectives and options that could be used to guide the industry consultations. The GPIAC meetings following the

broader consultations focused on discussing the issues that were raised by growers and wineries.

To provide direction to the review, the Commission developed a series of option assessment criteria. These included:

- increased economic impact
- improvement in quality
- increased demand for Ontario grapes
- sustainability of production
- sustainability of processing
- flexibility to adapt to various crop situations
- improved industry competitiveness
- reduction in grower/winery conflict

A panel of Commission members listened to industry input at three open sessions:

- 1) Leamington, December 8, 2009
- 2) Grimsby, December 9, 2009
- 3) Picton, December 10, 2009

The Commission sent a letter to all producers and wineries on November 6, 2009 to inform them of the consultation sessions. The letter also outlined the process for industry participants to share their views with the Commission, including an oral presentation at one of the public meetings and/or a written submission. On November 20, 2009 the Commission provided a follow-up letter to all producers and wineries that included a brief options paper developed in consultation with GPIAC.

At its December 2009 and its January 2010 meetings, the Commission reviewed the results of the industry consultations and staff analysis to develop its recommendations. The final report was submitted to Minister Mitchell on January 28, 2010.

Improving Hog Marketing in Ontario

On October 6, 2008, the Commission released a Decision related to a Commission Hearing held in July 2008. The Decision included significant changes to the marketing of hogs in Ontario that would affect the roles, responsibilities and authorities of Ontario Pork. As part of these changes, the Commission re-established the Hog Industry Advisory Committee (HIAC) with a mandate to help with the planning and development of a transition plan. The Commission's Decision was appealed to the Agriculture, Food and Rural Affairs Appeal Tribunal.

Following pre-hearings in March and April, 2009, the Tribunal Hearing was held over five days between November 25, 2009 and December 4, 2009.

The Tribunal released its Decision on February 16, 2010. On several matters, the Tribunal's Decision differed significantly from the Commission's 2008 Decision.

In March, 2010 the Minister of Agriculture, Food and Rural Affairs indicated she would be reviewing the Tribunal's Decision and invited interested parties to file submissions with her office.

Processing Apple Industry Forum

The Juice Apple Industry Advisory Committee noted that industry communications and partnerships were lacking, especially in the apple juice processing industry. To that end a forum was created. Apple growers, marketers, processors of apple juice and apple products, government and other stakeholders joined together on July 14, 2009 for the first Processing Apple Industry Forum. The Commission partnered with the Ontario Apple Growers to promote the day long event and bring in experts in the global apple market. Participants particularly commented on the benefits of the industry stakeholder panel, as they shared their visions on the future of processing apples in Ontario.

These discussions have provided the foundation for improved communications and industry co-operation. One such example is the co-ordinated apple industry response to the Strategic Plan as developed under the Ontario Orchards and Vineyards Transition Program.

Appointments

- Dr. Frank Ingratta was appointed by the Commission to the position of Chair of the Grapes for Processing Industry Advisory Committee in May of 2009 for a one-year term.
- Vance Drain of Tweed was appointed by an Order-In-Council to a two-year term as a Member of the Commission effective January 13, 2010
- The Dairy Advisory Committees and their membership for 2009 were approved by the Commission on May 20, 2009.
- The Commission appointed Fred Neukamm as Chair and confirmed Harry Vergeer as Vice Chair of the Ontario Flue-Cured Tobacco Growers' Marketing Board (OFCTGMB) on May 21, 2009.
- Chris Van Paassen was appointed as a Member of (the board of) the OFCTGMB for a period of up to six months, effective June 1, 2009.
- The Commission approved the appointments of negotiating committees for juice and wine grapes for the Grape Growers of Ontario and the Wine Council of Ontario for 2009 on July 15, 2009.
- Trish Fournier and Dennis Vanhooren were appointed as members of (the board of) the OFCTGMB by the Commission on July 16, 2009.

- Elmer Buchanan, Vice Chair of the Commission was appointed to the position of Chair, Greenhouse Vegetable Industry Advisory Committee on November 19, 2009.
- The Commission appointed 15 members to an interim board of the Grain Farmers of Ontario on January 4, 2010.
- John Vamos was appointed as a member (of the board) of the OFCTGMB by the Commission on March 24, 2010.

Industry Advisory Committees

- The Grapes for Processing Industry Advisory Committee continued to function successfully in 2009/10.
- The Grain Industry Advisory Committee was established under O. Reg. 485/09 as part of the establishment of the Grain Farmers of Ontario, effective January 1, 2010.
- The Greenhouse Vegetable Industry Advisory Committee was established under Regulation 417 to discuss opportunities for increasing the value of Ontario greenhouse tomatoes, cucumbers and peppers for all partners in the value chain. It is chaired by Elmer Buchanan and held its first meeting on March 31, 2010.
- The Hog Industry Advisory Committee was concluded in June, 2009 in response to a Pre-Hearing order by the Agriculture, Food and Rural Affairs Appeal Tribunal.
- The Juice Apple Industry Advisory Committee met frequently during 2009 – 2010.
- The Sheep Industry Advisory Committee met to discuss traceability challenges faced by the sector.

Legislative and Regulatory Changes

The Commission is established under the *Ministry of Agriculture, Food and Rural Affairs Act (MAFRAA)* and receives its authority to make regulations under the *Farm Products Marketing Act (FPMA)*. The Commission may recommend legislative changes to the Minister.

The Commission has extensive regulation making authority including various powers to establish, amend and/or revoke provisions in nearly 60 regulations. Each year, Boards, Associations and other stakeholders approach the Commission with proposals to amend or revoke existing regulations or to make new ones. The Commission was active on a number of these regulatory matters in fiscal 2009 – 2010. A summary of legislative and regulatory activities by the Commission appears in Appendix A.

Agreements and Awards

The Commission has the authority to bring into force agreements and awards made by certain Boards and processors. A summary of the agreements and awards that were brought into force by the Commission during fiscal year 2009 – 2010 can be found in Appendix B.

Arbitrators and Mediators

On March 10, 2010, the Commission approved the appointment of Larry Martin as a conciliator in the negotiations of the parties to the 2010 tomato pricing agreements.

The Commission approved the appointment of Linda Tanaka as arbitrator in the 2010 tomato pricing negotiations on March 10, 2010.

Annual General Meetings

All Boards and Associations held annual general meetings during 2009 – 2010. Members and Commission staff represented the Commission at all meetings. Appendix C lists all Marketing Boards and Section 12 Representative Associations reporting to the Commission as of March 31, 2010.

2010 – 2013 Strategic Planning and Business Plan

On December 15, 2009, the Commission Members and Staff participated in a day-long strategic Planning Workshop in Guelph. The purpose of the workshop was to:

- Develop a shared understanding of changes relevant to the Commission since the last strategic plan (2006 – 2009)
- Address internal issues of leadership, roles and development – building a foundation of success for carrying out the mission.

The workshop was facilitated by Anna Bolton-O'Byrne of the Business Transformation Office of the Ministry of Government Services.

As part of the workshop, Members reviewed the 2009 Annual Evaluation of the Commission. The evaluation was completed by the Members and tabulated by Commission staff. Members were asked to rate 36 statements on a scale of 1 – 5 with "1" representing "strongly disagree" and "5" representing "strongly agree". The 36 statements were divided into four parts, including: A) Commission Role; B) Commission Conduct; C) Performance of the Chair; and, D) Personal Performance. An overall

positive rating of 4.3 was recorded; this was up slightly from the previous evaluation in 2008, when the overall positive rating was 4.2.

The Commission's Strategic Plan for 2006 – 2009 was reviewed. Members determined that the Commission's Vision, Mission and three Strategic Objectives were still valid and would remain unchanged going forward. However, it was agreed that Performance Measures would be updated to reflect the current economic environment.

The facilitator prepared a Strategic Planning Workshop Report, which helped inform the drafting of the Commission's 2010 – 2013 Business Plan and Strategic Plan. Both Plans were approved by the Commission on March 24, 2010 for submission to Minister Mitchell.

FINANCIAL PERFORMANCE

The Commission operates under the budget of the Ministry of Agriculture, Food and Rural Affairs and therefore does not have its own audited financial statements. The Commission's resource requirements are incorporated into the ministry's business plan. A summary of the Commission's financial performance is presented below.

| Expenditure | Allocation | Actuals | Variance* |
|-----------------------------------|-----------------------|-----------------------|----------------------|
| Salaries and Wages | \$1,280,400.00 | \$1,136,543.00 | \$143,857.00 |
| Employee Benefits | \$ 169,000.00 | \$ 116,258.00 | \$ 52,742.00 |
| Transportation and Communications | \$ 129,100.00 | \$ 138,666.00 | -\$ 9,566.00 |
| Services | \$ 167,800.00 | \$ 394,968.00 | -\$227,168.00 |
| Supplies and Equipment | \$ 5,400.00 | \$ 6,876.00 | -\$ 1,476.00 |
| Recoveries | -\$ 30,000.00 | \$ - | -\$ 30,000.00 |
| Totals | \$1,721,700.00 | \$1,793,311.00 | -\$ 71,611.00 |

*Variances can be accounted for based on additional Commission expenditures related to: the Grapes for Processing Industry Advisory Committee; the Grape Marketing Review; regulatory requirements for the new Grain Farmers of Ontario; and, a vote by nectarine producers. There were some savings in Transportation and Communications as staff complied with government-wide restrictions on employee travel.

STAFF

Staff Serving the Commission, Q1, 2009 – 2010

| Commission Secretariat | |
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| Arva Machan | Secretary to the Commission/Secretariat Director |
| Marianne Phillipi | Executive Assistant to the Director |
| Bill Lachowsky/Jill Clemes | Administrative Services Representatives |
| Regulated Marketing Unit, Strategic Policy Branch, OMAFRA | |
| Dean Donaldson | Manager |
| Sue Gillespie | Senior Policy Advisor |
| Paul Glenney | Marketing Analyst |
| Sophia Dinnissen | Marketing Analyst |
| Susan Leuty | Marketing Analyst |
| Marilyn Sewell | Marketing Analyst |
| Laurinda Lang | Marketing Analyst |
| John Fitzgerald | Marketing Analyst |
| Becca Wagner/Heather Kaufman | Administrative Services Representatives |

Staff Serving the Commission, Q2 – Q4, 2009 – 2010

| Commission Secretariat | |
|--|--|
| George McCaw | Secretary to the Commission, Director, OFPMC Secretariat |
| Lorne Widmer | Executive Assistant to the Director |
| Jennifer Trommelen-Jones/Susan Pharand | Administrative Services Representatives |
| Regulated Marketing Unit | |
| Arva Machan | Manager |
| Paul Glenney | Marketing Analyst |
| Sophia Dinnissen | Marketing Analyst |
| Susan Leuty | Marketing Analyst |
| Marilyn Sewell | Marketing Analyst |
| Laurinda Lang | Marketing Analyst |

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|-----------------------|---|
| John Fitzgerald | Marketing Analyst |
| Rob Gamble | Marketing Analyst |
| Usha Khan/Jill Clemes | Administrative Services Representatives |

APPENDICES

Appendix A: Legislative and Regulatory Changes

| Name of New or Amended or Revoked Regulation | Number of Regulation | Commission Action | FPMC approval Date |
|---|--|--|---|
| Milk and Milk Products (Regulation 761 under the Milk Act) | O. Reg. 139/09 amends Regulation 761 | Approval of amendments to Regulation 761 concerning dairy farm equipment, power requirements, and raw milk testing requirements | April 2, 2009 (in force April 2, 2009) |
| Tobacco – Plan (Regulation 436 under the FPMA) | O. Reg. 207/09 amends Regulation 436 | Approval of amendments to the regulation related to restructuring the Ontario Flue-Cured Tobacco Growers' Marketing Board | May 21, 2009 (Minister approved May 27, 2009; in force June 1/09) |
| Tobacco – Powers of Local Board (O. Reg. 208/09 under the FPMA) | O. Reg. 208/09 revokes and replaces Regulation 435 | Approval of a regulation revoking Regulation 435 (Tobacco – Marketing) and replacing it with a new regulation entitled "Tobacco – Powers of Local Board" | May 21, 2009 (in force June 1, 2009) |
| Burley Tobacco-Marketing and Rutabagas – Marketing (Regulations 398 and 426 under the FPMA) | O. Reg. 269/09 revokes Regulations 398 and 426 | Approval of a regulation revoking obsolete Regulations: 398 – Burley Tobacco – Marketing and 426 – Rutabagas – Marketing | January 9, 2009 (in force July 17, 2009) |

| Name of New or Amended or Revoked Regulation | Number of Regulation | Commission Action | FPMC approval Date |
|--|---|--|---|
| Tender Fruit – Plan (Regulation 434 under the FPMA) | O. Reg. 409/09 amends Regulation 434 | Approval of amendments to change the ratio of grower committee members to growers. | September 17, 2009 (Minister approved October 28, 2009; in force October 29, 2009) |
| Grain (Grain Corn, Soybeans and Wheat) – Licensing and Regulation (O. Reg. 485/09 under the FPMA) | O. Reg. 485/09 revokes and replaces Regulations 431 and 442 | Approval of new regulation governing licensing and regulation under the new consolidated grain plan; and revoking Regulations 431 and 442 (Soybean – Marketing and Wheat-Marketing) | December 15, 2009 (in force Jan.1, 2010; except for ss. 13 to 17, in force June 1, 2010) |
| Grades, Standards, Designations, Classes, Packing and Marking (Regulation 753 under the Milk Act) | O. Reg. 502/09 amends Regulation 753 | Approval of amendments to Regulation 753 under the <i>Milk Act</i> to harmonize the Ontario raw milk classification system with the rest of Canada | December 16, 2009 (in force February 1, 2010) |
| Grain (Grain Corn, Soybeans and Wheat) – Licensing and Regulation (O. Reg. 484/09 under the FPMA) | O. Reg. 75/10 amends O. Reg. 484/09 | Approval to amend the Plan regulation to include "Renfrew" in paragraph 13 of Section 5. | February 17, 2010 (In force March 23, 2010) |

| Name of New or Amended or Revoked Regulation | Number of Regulation | Commission Action | FPMC approval Date |
|--|-------------------------------------|--|--|
| Grapes for Processing – Plan (Regulation 415 under the FPMA) | O. Reg 76/10) amends Regulation 415 | Approval of amendments to Regulation 415 to allow changes to the Grape Growers of Ontario governance structure | March 10, 2010 (Minister approved March 22, 2010; in force March 23, 2010) |

Appendix B: Agreements and Awards

| Agreement(s) | Date brought into force by the Commission |
|---|---|
| Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-91 | April 17, 2009 |
| Processing agreements between the Ontario Processing Vegetable Growers and various processors for 2009 for beets, lima beans, squash and pumpkin | April 17, 2009 |
| Agreement for the 2009 crop between H. J. Heinz Co. of Canada L.P. and the Tomato Seedling Growers' Marketing Board | May 4, 2009 |
| Processing agreements between the Ontario Processing Vegetable Growers and various processors for 2009 for tomatoes, peppers and carrots | May 21, 2009 |
| Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-92 | June 2, 2009 |
| Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-93 | July 29, 2009 |
| Agreement that the producer margin for the quota periods A94 – A99 equal 44.94¢/kg as proposed by the CFO and the AOCF. | September 16, 2009 |
| Agreement for Marketing the 2008 Crop of Flue-Cured Tobacco under the Ontario Flue-Cured Tobacco Growers' Marketing Plan | September 16, 2009 |
| Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-94 | October 6, 2009 |
| Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-95 | November 18, 2009 |
| Agreement for marketing the 2010 crop of cucumbers for processing between Hartung Brothers Inc/Smucker Foods of Canada Co. and the Ontario Processing Vegetable Growers | December 14, 2009 |

| Agreement(s) | Date brought into force by the Commission |
|---|--|
| Agreement for marketing the 2010 crop of cucumbers for processing between Strubs Food Corp and the Ontario Processing Vegetable Growers | December 14, 2009 |
| Agreement for marketing the 2010 crop of cucumbers for processing between Lakeside Packing Co. Ltd. and the Ontario Processing Vegetable Growers | December 21, 2009 |
| Agreement for marketing the 2010 crop of cucumbers for processing between Tomek's Natural Preserves Inc. and the Ontario Processing Vegetable Growers | December 23, 2009 |
| Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-96 | January 20, 2010 |
| Agreements for 2010 contracts for hybrid seed corn between the Seed Corn Growers of Ontario and five licenced seed corn dealers | February 17, 2010 |
| Agreements for marketing the 2010 crop of potatoes between the Ontario Potato Board and five licenced potato processors | February 17, 2010 |
| Agreement between the Chicken Farmers of Ontario (CFO) and licenced processors for the marketing of live chicken for processing during Period A-97 | March 10, 2010 |
| Agreements for the marketing of the 2010 crop between the Ontario Tomato Seedling Growers Marketing Board and ten processors | March 10, 2010 |

- Through arbitration between H.J. Heinz Company of Canada L.P. and the Ontario Processing Vegetable Growers, the price for tomatoes for paste was awarded to the growers. The arbitrator's decision was made on April 22, 2009.

Appendix C: Boards and Associations as of March 31, 2010

Marketing Boards

The *Milk Act* provides authority to one marketing board that regulates milk and cream.

- Dairy Farmers of Ontario

The *Farm Products Marketing Act* governs the other twenty marketing boards in Ontario as well as the four representative associations designated under Section 12 of the act.

- Chicken Farmers of Ontario
- Egg Farmers of Ontario
- Grain Farmers of Ontario
- Grape Growers of Ontario
- Ontario Apple Growers
- Ontario Asparagus Growers' Marketing Board
- Ontario Bean Producers' Marketing Board
- Ontario Broiler Hatching Egg and Chick Commission
- Ontario Flue-Cured Tobacco Growers' Marketing Board
- Ontario Fresh Grape Growers' Marketing Board
- Ontario Greenhouse Vegetable Growers
- Ontario Pork Producers' Marketing Board
- Ontario Potato Board
- Ontario Processing Vegetable Growers
- Ontario Sheep Marketing Agency
- Ontario Tender Fruit Producers' Marketing Board
- Ontario Tomato Seedling Growers' Marketing Board
- Seed Corn Growers of Ontario
- Turkey Farmers of Ontario

Section 12 Representative Associations

- Flowers Canada (Ontario) Inc.
- Ontario Canola Growers Association
- Ontario Coloured Bean Growers Association
- Ontario Ginseng Growers Association